

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

Templeville Post Office
Templeville, Maryland

Docket No. A2011-76

ORDER AFFIRMING DETERMINATION

(Issued January 9, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012”.¹ The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

¹ United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On September 15, 2011, Helen Knotts, Mayor of Templeville, Maryland (Petitioner) filed a petition with the Commission on behalf of Templeville, Maryland seeking review of the Postal Service’s Final Determination to close the Templeville, Maryland post office (Templeville post office).² After reviewing the record in this proceeding, the Commission affirms the Final Determination to close the Templeville post office.

II. PROCEDURAL HISTORY

On September 20, 2011, the Commission established Docket No. A2011-76 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.³

² Petition for Review received from Helen Knotts regarding the Templeville, Maryland post office 21670, September 15, 2011 (Petition).

³ Order No. 863, Notice and Order Accepting Appeal and Establishing Procedural Schedule, September 20, 2011.

On September 30, 2011, the Postal Service filed the Administrative Record with the Commission.⁴ The Postal Service also requests that the Commission affirm its Final Determination. Postal Service Comments at 5.

Petitioner did not file a Participant Statement. Neither Petitioner, nor the Public Representative, replied to comments filed by the Postal Service.

III. BACKGROUND

The Templeville post office provides retail postal services and service to 27 post office box customers. Final Determination at 2 (.pdf version at 43). No delivery customers are served through this office. The Templeville post office, an EAS-53 level facility, has retail access hours of 8:00 a.m. to 10:00 a.m. and 2:30 p.m. to 4:15 p.m., Monday through Friday, and 8:00 a.m. to 11:30 a.m. on Saturday. Lobby access hours are the same as retail access hours. *Id.*

The postmaster position became vacant on October 29, 2010 when the Templeville postmaster retired. A non-career officer-in-charge (OIC) was installed to operate the office. Retail transactions average 10 transactions daily (11 minutes of retail workload). Office receipts for the last 3 years were \$9,181 in FY 2008; \$6,870 in FY 2009; and \$7,118 in FY 2010. There are no permit or postage meter customers. *Id.* By closing this office, the Postal Service anticipates savings of \$25,627 annually. *Id.* at 7 (.pdf version at 38).

⁴ The Administrative Record is attached to the United States Postal Service Notice of Filing, September 30, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Templeville, Maryland Post Office and Extend Service by Rural Route Service (Final Determination). The Postal Service states that an error occurred while scanning the Administrative Record and that “the first 29 [pages] in the PDF filed with the Commission appear in the correct order; the remaining pages appear thereafter, albeit in reverse order. Hence page 30 is what should have been the last page, that is, page 153.” United States Postal Service Comments Regarding Appeal, November 9, 2011 at 1 (Postal Service Comments). In this Order, citations to specific pages of documents in the Administrative Record will include a parallel reference to applicable PDF page numbers of the Administrative Record as “.pdf version at X.”

After the closure, retail services will be provided by the Marydel post office located approximately 2 miles away.⁵ Delivery service will be provided by rural carrier through the Marydel post office. The Marydel post office is an EAS-16 level office, with retail hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, and 1:00 p.m. to 4:00 p.m. on Saturday. One-hundred-fourteen post office boxes are available. *Id.* The Postal Service will continue to use the Templeville name and ZIP Code. *Id.* at 4, Concern No. 8 (.pdf version at 41).

IV. PARTICIPANT PLEADINGS

Petitioner. Petitioner opposes the closure of the Templeville post office. Petitioner contends that closing the post office would have a negative impact on the community. Petition at 1. She states that Templeville has had a post office since 1846, and it is one of the only remaining businesses in town. *Id.* Petitioner contends that the decision to close the Templeville post office is not consistent with the Postal Service's long-term viability. *Id.*

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Templeville post office. Postal Service Comments at 5. The Postal Service believes the main issue raised on appeal is the impact on the Templeville community. *Id.* at 4. The Postal Service asserts that it has given this and other statutory issues serious consideration and concludes that the Final Determination to discontinue the Templeville post office should be affirmed. *Id.* at 4-5.

The Postal Service explains that its decision to close the Templeville post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and declining office revenue;

⁵ *Id.* at 2 (.pdf version at 43). MapQuest estimates the driving distance between the Templeville and Marydel post offices to be approximately 2.3 miles (4 minutes driving time).

- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- minimal impact on the community; and
- expected financial savings.

Id. at 1-3. The Postal Service contends that it will continue to provide regular and effective postal services to the Templeville community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioner regarding the effect on postal services, and the effect on the Templeville community. *Id.* at 3.

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to

present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The record indicates the Postal Service took the following steps in reaching its Final Determination. On March 4, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Templeville post office. Final Determination at 2 (.pdf version at 43). A total of 60 questionnaires were distributed and 15 were returned. *Id.* On March 25, 2011, the Postal Service held a community meeting at the Templeville post office to address customer concerns. *Id.* Ten customers attended. *Id.*

The Postal Service posted the proposal to close the Templeville post office with an invitation for comments at the Templeville and Marydel post offices from May 11, 2011 through July 12, 2011. Final Determination at 2 (.pdf version at 43). The Final Determination was posted at the same two post offices for approximately 30 days, from August 12, 2011 through September 12, 2011. *Id.* at 1 (.pdf version at 44).

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

Effect on the community. Templeville, Maryland is an unincorporated community located in Caroline County, Maryland. Administrative Record, Item No. 16. The Administrative Record does not identify any local government. *Id.* Police protection is provided by Caroline County Sheriff's Department. *Id.* Fire protection is provided by Marydel Volunteer Fire Department. *Id.* The community is comprised of commuters

and the self-employed. *Id.* Residents may travel to nearby communities for other supplies and services. See *generally* Administrative Record, Item No. 22 (.pdf version at 151) (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Templeville community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Templeville post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2 (.pdf version at 43).

Petitioner raises the issue of the effect of the closing on the Templeville community. Petition at 1. The Postal Service contends that it considered the issue and explains that while community identity, "derives from the interest and vitality of its residents," the community name and ZIP Code will be preserved for those who convert to carrier delivery. Postal Service Comments at 3.

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

Effect on employees. The Postal Service states that the Templeville postmaster retired on October 29, 2010 and that an OIC has operated the Templeville post office since then. *Id.* at 1; Final Determination at 2 (.pdf version at 43). It asserts that after the Final Determination is implemented the temporary OIC may be separated and that no other Postal Service employee will be adversely affected. *Id.* at 6 (.pdf version at 39).

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Templeville post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to Templeville customers. Postal Service Comments at 2-3. It asserts that customers of the closed Templeville

post office may obtain retail services at the Marydel post office located 2 miles away. Final Determination at 2 (.pdf version at 43). Delivery service will be provided by rural carrier through the Marydel post office. *Id.* The 27 post office box customers may obtain Post Office Box service at the Marydel post office, which has 114 boxes available. *Id.*

For customers choosing not to travel to the Marydel post office, the Postal Service explains that retail services will be available from the carrier. *Id.* at 2 (.pdf version at 43). The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

The Postal Service has considered issues concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$25,627. Final Determination at 2 (.pdf version at 43). It derives this figure by summing the following costs: postmaster salary and benefits (\$6,071) and annual lease costs (\$3,600), minus the cost of replacement service (\$2,167). *Id.*

The Commission has previously stated that the Postal Service should not compute savings based on compensation costs unless there is a reasonable assurance that closing will actually eliminate those costs. The Templeville post office postmaster retired on October 29, 2010. Final Determination at 2 (.pdf version at 43). The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67 United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; and Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10. Furthermore, notwithstanding that the Templeville post office has been staffed by an OIC for over a year, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

VI. CONCLUSION

The Postal Service has adequately considered all requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Templeville post office is affirmed.

It is ordered:

The Postal Service's determination to close the Templeville, Maryland post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary

DISSENTING OPINION OF CHAIRMAN GOLDWAY

I dissent in this case.

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service argues that savings should be calculated based on a fulltime postmaster's salary. Yet the Templeville post office has been operated by a non-career postmaster relief (PMR) since October 2010. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal; yet, on the other hand, it argues that the savings should be calculated using a fulltime position. There are inherent and blatant contradictions in the record that must be corrected on remand.

It is not the statutory responsibility of the Commission to correct the record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data was in the record. Therefore, the decision to close should be remanded to the Postal Service to correct the record and present a more considered evaluation of potential savings.

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium.

The citizens of Templeville, Maryland and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider all requirements of 39 U.S.C. § 404(d).

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that since October 2010, a non-career postmaster relief (PMR) has been in charge of this facility, not an EAS-53 postmaster. The PMR's salary and benefits should be reflected in its cost savings analysis.

As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

I find that the Postal Service's decision to discontinue operations at the Templeville post office is unsupported by evidence on the record and, thus, should be remanded.

Nanci E. Langley